

## MOLDOVA

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<b>Capital:</b> Chisinau	<b>Inflation:</b> 15%
<b>GDP per capita:</b> \$480	<b>Unemployment (1997):</b> 1.6%
<b>Population:</b> 4,300,000	<b>Foreign Direct Investment:</b> \$170,000,000

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### OVERALL RATING: 4.6

According to the World Bank's Annual World Development Report for 2000-2001, the Republic of Moldova ranks 167<sup>th</sup> among the world's 206 countries in terms of gross domestic product per capita. This makes Moldova one of Europe's poorest countries, with 53% of the population living on less than one dollar per day.

Given this difficult economic situation, it is impressive that there are nearly 1,800 NGOs currently registered in Moldova. Most of these are based in the capital, Chisinau, although there are organizations registered in all regions of the country. NGOs operate in a variety of spheres, including culture, education, economic development, health and human rights.

Moldovan NGOs benefit from a fairly well-developed legal framework and a solid infrastructure. Challenges faced by the NGO sector lacks include the need to improve their public image, organizational capacity and financial viability.

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### LEGAL ENVIRONMENT: 3.0

Moldovan NGOs are regulated by a number of laws, including the Civil Code, the Law on Public Associations (1996), the Law on Foundations (1999), and the Law on Philanthropy and Sponsorship (1995). Currently a draft Law on Non-Commercial Organizations is being developed, which Parliament is expected to consider at the end of 2000.

NGOs are generally free to address matters of public interest and express criticism. The only activity they are restricted from engaging in is campaigning for elections, although the law is not always followed.

At the national level NGOs can register relatively eas-

ily at the Ministry of Justice. The process is straightforward and registration fees - 54 lei, or about \$4.40 - are reasonable. However, registration procedures at the local level need radical improvement, in particular to specify who should perform the registration.

Although central and local government bodies are not always supportive of NGOs and do not fully understand their role in society, there have not been any cases of institutional-level harassment. On the contrary, both government officials and NGOs are beginning to understand that instead of competing they should complement each other's efforts.

Moldovan NGOs are entitled to income tax exemptions, but neither public associations nor foundations are entitled to VAT privileges or exemption from customs duties.

Moldovan businesses that sponsor public benefit associations are entitled to a tax deduction for any donations made for charitable purposes, provided that those

donations do not exceed 7% of the taxable income in the current year.

The Republic of Moldova is the only country in the NIS to have a certification commission similar to the UK Charity Commission, which is responsible for granting organizations public benefit status.

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### ORGANIZATIONAL CAPACITY: 4.5

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Moldovan NGOs vary immensely in terms of their organizational capacity, ranging from feeble "one-man shows" to real "stars" of the third sector that gain recognition and credit for their achievements internationally. Mature NGOs exist in many sectors, including economic development, education and youth, media, human rights, social, women, environment and local public administration. It is estimated that between 15 and 30% of Moldovan NGOs are active, able to govern themselves and efficiently organized.

Although the overwhelming majority of NGOs are concentrated in urban areas, particularly in Chisinau, a handful of genuine community-based NGOs with clear mission statements and links to constituencies exists. In addition, some organizations have successfully established branch offices in the regions to extend their activity outside the capital city.

Volunteerism is still not a common practice in Moldova, but the first steps in building a volunteer movement have been made.

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### FINANCIAL VIABILITY: 5.5

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Among the financial problems faced by the NGO sector are a weak economy, a limited number of foreign donors, lack of financial management skills, and poor access to information on funding opportunities. As a result, the Moldovan NGO community is greatly dependent on the few international donors who operate there. This dependency forces NGOs to orient their programs towards donor priorities. A further problem is that donor funding tends to be monopolized by a small

group of highly qualified NGOs

Very few, if any, organizations rely exclusively on self-financing or donations from local sources. Because of the poor economic conditions in the country, philanthropy is very limited. Although the passage of the Law on Foundations established a favorable environment for philanthropy, allowing tax deductions up to 7% of income for charitable donations,

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very few local businesses are inclined to make donations.

The certification commission selects the most competitive public benefit organizations to receive state support. Article 11 of the Law on Public Associations provides for the

government to support public organizations, for example by financing some social, scientific and cultural programs. Unfortunately, at this point in time the government has not yet implemented this provision.

### **ADVOCACY: 5.0**

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Although NGOs are beginning to share information and network, NGOs often view each other as competitors for scarce resources and are therefore reluctant to share information and cooperate. The Moldovan legal framework enables NGOs to form coalitions and unions. The most active NGOs in Moldova working in the area of environmental protection have formed coalitions in an attempt to solve issues of public importance and to influence public policy.

The National NGO Forum, which is held once a year and published in "White Books", promotes the interests of the NGO community as a whole. The Forum also approves resolutions on the most important problems faced by the NGO community. In the period between the forums this function is delegated to the Group for Resolution Implementation, which consists of representatives of the most active NGOs.

### **SERVICE PROVISION: 5.0**

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Although NGOs providing services or producing goods exist and are well developed, the number of such organizations is very small. The most active NGOs providing services work in the fields of education, audit and accounting, medical care and sociological studies. The need to charge fees for services is recognized and occasionally put into practice. For example, several NGOs charge partici-

pants for their training courses on international accounting standards or computer literacy. In some instances, the services provided by NGOs, such as seminars, workshops, research and publications, reflect national priorities, like local public administration reform, and are coupled with international donors concern for the issue.

### **INFRASTRUCTURE: 4.0**

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In 1996, the CONTACT Assistance Center was established to provide local support services to NGOs. The center has branches in four out of eleven counties in Moldova

that deliver training and consulting services to grassroots organizations, distribute training materials and keep a database of regional NGOs. These intermediary

support organizations (ISOs) maintain a comprehensive library and also provide access to the Internet, and other office equipment. There are also a few other ISOs in the country, like the National Youth Council, the Regional Environmental Center and the Resource Center of Human Rights NGOs.

There is a cadre of local trainers who deliver courses in subjects such as program implementation and evaluation, financial management, bookkeeping for NGOs, fundraising, human resources management, marketing and public relations. Although these efforts have helped strengthen some leading national NGOs, grassroots organizations still need such training.

One of the most visible publications in Moldova covering the NGO community is the Civic Voice Newsletter, which is distributed free of charge to NGOs, public administration bodies and political parties. In each issue of this publication a domestic NGO is presented, as well as funding opportunities, studies and research. IFES/Moldova currently produces this newsletter, but it is very important for domestic NGOs to assume this responsibility. Domestic NGOs together with international organizations also regularly address the problems of the third sector in radio programs. These programs feature interviews with NGO leaders, reports on individual NGO achievements and inter-sectoral cooperation.

### **PUBLIC IMAGE: 5.0**

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There is generally a low awareness of NGO activities among the Moldvan public, state authorities, mass media and even funding organizations. As a result, NGOs have feeble partnership relations with local government authorities, the media and within the NGO community itself.

Moldovan NGOs do not market themselves well. The NGO Forum's second White Book, published in 1999, identified the need to promote a better image of the NGO sector in mass media as a priority. One problem is the lack of publications on the activi-

ties of the NGO community. Although NGOs do produce publications and newsletters to report on developments in specific sectors, be it environment, drug abuse, or women's issues, these have a narrow scope and limited circulation.

The NGOs with the most positive image tend to be those active in research, public administration, economic, and political development. Organizations trying to solve social, environmental, and human rights problems are generally less known by the public.